

Cablefax Daily™

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What the Industry Reads First

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Announcing INTX: NCTA Rebrands Cable Show As Video Evolves

With more video viewing across platforms, it was only a matter of time before NCTA tweaked its Cable Show to draw new participants and accommodate broadband-based video technologies. The group announced Wed that INTX, the Internet and Television Expo to be held on May 5-7 in Chicago, is the new Cable Show. The event will focus on “the digital media and entertainment economy, featuring multichannel video and broadband Internet providers, television creators and producers, online video distributors, digital technologists and startups, engineers” and more. Now does the move signal potential changes at NCTA, including a name and membership structural change of its own? Probably not in the near term. “Moving to INTX is just about the show and doesn’t signal anything else,” a spokeswoman said. The group made the change because “everything about media and communications is being reinvented: the way we watch, how we keep in touch, what we know, how we play. So now is a perfect time to reinvent the way we come together to learn, network and do business,” said NCTA pres/CEO *Michael Powell*. “Everyday the digital landscape changes and the networks that enable it become more powerful. INTX will highlight all of these new trends and voices in every corner of today’s digital economy.” INTX planning is getting underway now, and NCTA wants “new voices and stakeholders from the digital media economy—companies and people who use cable’s broadband platform for content, new apps, new services and beyond,” the spokeswoman said. **Suddenlink** chmn/CEO *Jerry Kent* and **TV One** pres/CEO *Alfred Liggins* will co-chair the inaugural INTX. According to NCTA, INTX will feature a re-imagined exhibit floor featuring TV Everywhere tech, the latest gadgets, the Internet of Things, start-ups, competitions and 4K. And like the Cable Show, INTX will offer panel discussions, networking opportunities, interactive experiences, digital content pavilions and screening areas. NCTA will open registration later this fall, but exhibit sales and sponsorships are available now. The Expo website, intx15.ncta.com, is already up and running. As the site said, “it’s a new kind of show. For a new kind of world.” This year’s Cable Show, held in LA in May, drew around 10K attendees, down from the more than 12K attendees from a year ago in DC. The LA event attracted more than 200 exhibitors and a few dozen CableNET participants to the show floor. Programming, multi-screen video, HDTV, VOD and IPTV were among the most popular exhibitor categories. The name Cable Show was changed from the National Show several year ago, though format and concept remained the same.

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At the Portals: NAB joined opposition to the **AT&T-DirecTV** deal, arguing that the deal would create greater consolidation in the pay-TV marketplace while broadcasters live under outdated media ownership rules. If the agency were to approve the deal, it should require DirecTV to offer consumers local broadcast stations in all 210 markets in which it operates, NAB said. Another detractor was **Public Knowledge**, which said the merger would hurt consumers. “Companies may think they need greater scale to enter new markets or keep up with their rivals... Unless they can show how this would benefit consumers, it is immaterial.”

On the Hill: The passage of The Satellite Television Access and Viewer Rights Act (STAVRA), the Senate version of the satellite reauthorization legislation, went smoothly at the Commerce Committee Wed. Despite proposed amendments that included the delay of the set-top box integration ban, heavier **FCC** engagement in customer service and an investigation of rising sports programming cost, the final version of the bill was relatively clean. -- It was the usual Democrats vs Republicans at Senate Judiciary’s net neutrality hearing Wed. While Republicans, including **Ted Cruz** (R-TX), hammered FCC chmn **Tom Wheeler** and his net neutrality proposal, strong Open Internet backers like **Al Franken** (D-MN) insisted strict net neutrality rules are critical to innovation and business, especially small business. Allowing paid priority would have significantly impacted the Internet ecosystem, Franken said. As expected, Title II drew heated debate. **Mazie Hirono** (D-HI) asked if Congress should consider a new Title which is more flexible than Title II. Former FCC Republican commish **Robert McDowell** was among the witnesses. He argued most major ISPs have long-standing published policies that ban paid prioritization and that the FCC can take legal action against any company that violates its policies. Handling net neutrality complaints on a case-by-case basis keeps government involvement “at a responsible minimum,” he said.

The Martin Show: Back by popular demand at **NAMIC** was **Needham** senior analyst **Laura Martin**, who noted that while the U.S. ad market is up 3% for linear TV vs. 43% for digital, the dollars applied to traditional TV continue to dwarf digital. “The gap of valuation between the two is widening, which is pretty rare,” she said, adding that the gap between would narrow if the TV business was truly in decline. However, digital CPMs remain 30-40% higher than traditional TV, she said. Part of the reason could be the younger demo, with Martin pointing out that for shows on both linear TV and digital, the digital audience for the exact same show skews 15-20 years younger than the linear audience. “We know that kids watch TV—they just watch it on an online device,” she said. However, Martin said traditional TV remains more robust because of its dual revenue stream, and she argued that “the online ecosystem must be fixed” as the video ad revenue hasn’t caught up with the billions of views out there. “That’s a huge problem,” she said, noting flattening online video views in the last couple years. “That’s a big part of why the digital ecosystem has stalled.” Martin’s big prediction: “I think Google will buy a content company in the next 5 years.”

NAMIC Notebook: Among debate topics at **NAMIC** was exactly how to get companies engaged, with **Comcast** evp/Chief Diversity Officer **David Cohen** suggesting that CEO buy-in is no longer the challenge—it’s getting all the other business leaders “deep into your organization” to also make it a priority. “That’s becoming a much more important alchemy,” he said. “It’s easy to engage the CEO. That’s one person.” **Viacom** evp, global inclusion strategy **Marva Smalls** agreed that it’s key to include the heads of all divisions in diversity planning. “Through this process we’re able to see... where we have the opportunity to cross-pollinate” across business units. Of course, **Viacom** pres/CEO **Philippe Daumann** also attends those meetings. And to that point, **NBCU** Chief Diversity Officer **Craig Robinson** said keeping diversity top of mind in the C-suite remains vital, noting that **NBCU** pres/CEO **Steve Burke** has 2 permanent items on his bi-weekly meetings with the top brass: One is financials, and the other is diversity. “It keeps the conversation on the table every other week at every senior staff meeting,” Robinson said. Meanwhile, Cohen noted the importance of data and analytics. “We’ve been able to identify parts of the business that need some help,” he said. “Just identifying them has had a huge impact already.” -- **Daisy Auger-Dominguez**, vp, talent acquisition and organization & workforce diversity, **Disney/ABC Television Group**, touted ABC’s upcoming shows such as “Cristela” and “Black-ish.” “Now when you see a show that’s just white people, it feels dated. We’re reflective of what America looks like.” **Andrea Agnew**, executive director, workforce diversity & inclusion, **Comcast**, said inclusion is about “who’s in the room.” But “it’s not only that they’re in the room, it’s that we see you,” Auger-Dominguez said, and that you’re able to “truly be who you are.” **Jerrell Moore**, **Time Warner Cable** vp, diversity & inclusion, said “we not only want to see ourselves reflected in television—we want to see ourselves reflected in the C-suite.”

Press Clippings: **WSJ** reports **Discovery Comm** is close to ending its 4-year relationship with **Hasbro** on the Hub,

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with Discovery taking a controlling stake in the net and rebranding the kid channel as Discovery Family to include programming for parents as well. Discovery launched the Hub in 2010.

Closure with Cupcakes: Stars of TLC's "DC Cupcakes," sisters *Katherine Kallinis Berman* and *Sophie Kallinis LaMontagne*, closed the WICT Leadership Conference with sharing lessons learned from their reality show about their bakery Georgetown Cupcakes. For one, the entrepreneurs learned "the importance of being authentic and relatable," Berman said. They also realized that viewers appreciate getting small takeaways from the show—like tips and recipes—and that it's "very important to connect" with fans, LaMontagne said. Since the series' demo is largely young girls, they "use the TV platform to be positive role models" as well, LaMontagne said. The session closed with... (drum role please) free cupcakes for all. Overall, WICT garnered 700 attendees for its Leadership Conference and more than 900 for the Touchstones Luncheon.

Investor Conference: DirecTV is testing an OTT-based Sunday Ticket in areas difficult to penetrate with linear service, CFO *Patrick Doyle* said at the **Bank of America Merrill Lynch** investor conference late Tues. The company also plans to launch a streaming-based offering in Latin America markets later this year, he said.

CableFAX Daily Stockwatch

Company	09/17 Close	1-Day Ch	Company	09/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	87.21	0.19	CONVERGYS:	18.63	(0.33)
DISH:	66.71	1.17	CSG SYSTEMS:	26.80	0.28
ENTRAVISION:	4.37	(0.03)	ECHOSTAR:	51.13	0.23
GRAY TELEVISION:	9.09	0.16	GOOGLE:	584.77	4.82
MEDIA GENERAL:	15.25	0.24	HARMONIC:	6.59	(0.02)
NEXSTAR:	44.00	(0.04)	INTEL:	34.98	0.05
SINCLAIR:	27.37	(0.14)	INTERACTIVE CORP:	68.98	(0.46)
MSOS					
CABLEVISION:	19.26	0.07	JDSU:	13.57	0.02
CHARTER:	162.19	0.77	LEVEL 3:	45.84	0.60
COMCAST:	57.09	(0.14)	MICROSOFT:	46.52	(0.24)
COMCAST SPCL:	56.80	(0.11)	NIELSEN:	44.51	(0.21)
GCI:	11.03	UNCH	RENTRAK:	52.01	0.14
GRAHAM HOLDING:	733.34	2.20	SEACHANGE:	7.31	0.14
LIBERTY GLOBAL:	43.31	(0.18)	SONY:	18.88	(1.37)
LIBERTY INT:	28.93	0.13	SPRINT NEXTEL:	6.69	(0.08)
SHAW COMM:	25.76	0.02	TIVO:	13.48	(0.23)
TIME WARNER CABLE:	154.62	(0.04)	UNIVERSAL ELEC:	52.56	0.27
PROGRAMMING					
21ST CENTURY FOX:	34.65	(0.1)	VONAGE:	3.40	(0.02)
AMC NETWORKS:	61.14	(1.02)	YAHOO:	42.59	(0.12)
CBS:	56.84	(0.06)	TELCOS		
CROWN:	3.24	(0.01)	AT&T:	35.02	0.07
DISCOVERY:	39.95	0.49	CENTURYLINK:	40.35	0.75
DISNEY:	90.33	0.06	TDS:	25.79	0.07
GRUPO TELEVISIA:	35.19	(0.16)	VERIZON:	49.21	0.25
HSN:	59.59	0.17	MARKET INDICES		
LIONSGATE:	33.56	0.06	DOW:	17156.85	24.88
MSG:	66.14	(0.33)	NASDAQ:	4562.19	9.43
SCRIPPS INT:	78.05	(0.05)	S&P 500:	2001.57	2.59
STARZ:	30.32	(0.1)			
TIME WARNER:	76.86	0.10			
VALUEVISION:	5.51	0.38			
VIACOM:	79.58	(0.43)			
WWE:	14.62	(0.18)			
TECHNOLOGY					
ADVANTAGE:	2.47	0.05			
AMDOCS:	47.62	(0.04)			
AMPHENOL:	104.46	0.47			
AOL:	42.26	(0.17)			
APPLE:	101.58	0.72			
ARRIS GROUP:	30.66	(0.26)			
AVID TECH:	10.29	0.23			
BLNDER TONGUE:	1.35	0.04			
BROADCOM:	40.93	0.50			
CISCO:	25.20	(0.01)			
CONCURRENT:	7.73	0.02			

November 11 | 12
Williamsburg, Virginia



VIRGINIA CABLE SHOW

Virginia Cable Telecommunications Association
www.vacableshow.com

2014

Think about that for a minute...

Not So Fast

Commentary by Steve Effros

I know it doesn't come as much of a surprise to anyone that things in Washington, particularly on Capitol Hill, are not the picture of efficiency these days. I'm always amused, when on a trip somewhere, striking up a conversation and hearing the old refrain that "those folks in Washington" are all screwed up, they don't get the job done, they're just a bunch of Washington politicians, and so forth. It's as though the voters in Iowa or Maine or Texas don't seem to remember that "those folks" were sent to Washington by them! They're not from Washington, they're from Iowa, Maine, Texas and so on. As a matter of fact, the only place that doesn't have a vote on the Hill is Washington, DC! All the rest of you can "retire" "those folks" any time you choose.



But I digress. The true nature of Capitol Hill was on full display this past fortnight with the rapid ascension and disappearance of the idea of "Local Choice" for consumers either taking (and paying for) local broadcast signals or not. The language was put forward in a bill going before the Senate Commerce Committee. It lasted less than 48 hours. The bill is still going to pass, but in a much watered-down form.

Now in classic legislative thinking, this was actually a pretty good move. The bill, as passed by the House, had language the broadcasters didn't like. But adding the "Local Choice" language in the Senate made them crazy! The idea that the essential, most popular, can't do without local broadcast channel would have to convince people to pay for its delivery instead of just using retransmission consent and must carry rules and burying the fees in the cable operator's bill was simply not going to fly with the local broadcasters, who, of course, are very important to the local Congressional delega-

tion. Thus "the folks in Washington" once again felt the heat from home and protected the "local" interest. "Local Choice" was dead for this year.

However, since the fierce lobbying had to focus on the "really bad" parts of the legislation, it looks like some, not all, of the good stuff that was in the House bill will now get through. A classic head-feint. As important, the idea of "Local Choice" is now front and center in any conversation coming up next year about a new Telecommunications Act. The bargaining for a new Act is now beginning in earnest, and there is a certain irony that the broadcasters will be the loudest and most ardent protectors of cable's interests in not having any mandated "a la carte." They now know that if any "a la carte" legislation is seriously considered, their broadcast channels will absolutely be a part of the mix.

I have long thought that there was a middle ground—that those programmers, broadcaster or not, who insist on the highest prices for their product (we can all propose formulas to figure out who they are) should not be allowed to tie their products to bundles, be it their own bundle or the cable bundle. If they think their product is so valuable, they should be required to sell it on its own. I'm sure that will get an airing when the discussions start again next year as well.

So while a very good idea got the "not so fast" approach on Capitol Hill for right now, it was a good and interesting start to a much longer discussion—one that is long overdue.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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